Remarks

In relation to the above captioned matter, a Final Office Action was issued in this application on March 22, 2004. Applicants filed an Amendment After Final on April 27, 2004 and subsequently the Examiner issued an Advisory Action. An Examiner interview was conducted on September 16, 2004 wherein the Examiner indicated that Applicants' representative was persuasive in convincing the Examiner that the then-current rejection was not proper. The Examiner agreed to re-open prosecution in light of the discussion and issued the present non-final Office Action on September 28, 2004.

1. **Summary of the Invention**

Prior to discussing the particular issues raised by the Office Action, Applicants believe that a summary review of Applicants' invention would be useful. As discussed in the Specification (such as at pages 3-6), in accordance with an embodiment of the present invention, there is provided an automated security and reorder system for items maintained within a boundary. Each item has an associated transponder, and each transponder is configured to transmit item identification data for indicating a secured status and a consumable status of the associated item. The system is provided with a transponder communications device configured to electrically interrogate a transponder associated with an item maintained within the boundary and to receive item identification data in response. The system is further provided with a controller which is disposed in operable communication with the transponder communications device. The controller is configured to generate an alert signal in response to detection of a given transponder having crossed the boundary and having item identification data indicating a secured status of the associated item. The controller is further configured to generate an item

reorder signal in response to detection of a given transponder having crossed the boundary and having item identification data indicating a consumable status of the associated item. (See, Claim 1).

Such system advantageously utilizes transponder technology for multiple purposes within a given environment. As discussed above, the system provides for the automatic tracking of transponder tagged items to and from the designated boundary or even boundaries. Significantly, the transponders include identifying information as to whether a given item is of a consumable nature. For example, the system may be deployed in a home environment, with designated items having a consumable status such as specific food items, paper towels, soap, light bulbs, etc. In this regard, a detection event that such items have crossed a particular boundary may be used to trigger the automatic addition of a similar item onto an electronic shopping list for reordering. (Specification, page 6, lines 1-15).

At the same time that the present system is utilized for item reordering purposes, the present invention recognizes that the detection of transponders may be used for another purpose, to track valuable items that are not intended to leave the premises or boundary. In the home environment, certain items which may be tagged and monitored for this purpose may include appliances, furniture and other valuables. For example, while the items stored in a refrigerator may be tracked and classified as being a consumable, the refrigerator itself may be affixed with a transponder having a secured status. Thus, the detection of an unauthorized removal of a tagged item may be used to trigger an alarm or even electronically linked to a traditional alarm or security system. (Specification, page 6, lines 16-30). In the office environment, items tracked with a

consumable status may include packages of pens, notepads, paper, etc. In contrast, office furniture, computer and other office equipment may be tagged with transponders indicating a secured status. In another example, the system may be deployed in a hospital with items traced having a consumable status which includes such things as packages of needles, bandages, gloves, drugs, etc. Expensive medical equipment may be traced with a secured status. (Specification page 16, lines 19-29).

2. Arguments Presented By the Office Action

In the Office Action the Examiner rejected Claims 1-28 under 35 U.S.C. §103(a) as being unpatentable over Hughes et al. in view of U.S. Patent No. 6,568,596 to Shaw and U.S. Patent No. 6,753,830 to Gelbman. In the Office Action the Examiner initially contends that:

> *"Hughes et al. shows all of the limitation of the claims except for specifically generating a re-order and using an external communications device/global computer network."* (page 2).

The Examiner further contends that:

> *"Shaw teaches (column 1, lines 20-22, and column 2, lines 31-33) an XML based barcode scanner. It is an object of the invention to convert bar code data into data that is easily published on the Internet (external communication device/global computer network) or used by e-commerce applications in order to provide improved communications.*
>
> *"Based on the teaching of Shaw, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the bar code data of Hughes et al. into the XML format of Shaw, thus enabling the use of global computer network in order to provide improved communications."* (page 3)

The Examiner then reasons that:

> *"Gelbman teaches a smart electronic label employing electronic ink. The invention provides for smart and dumb implementations of a stand-alone, remotely updateable, remotely alterable, resilient and flexible electronic display, label tag or strip device of various sizes and shapes. Column 4, lines 41-42 teach*

> *that the device can be employed to permanently or temporarily attach the electronic label to the item 12. Column 5, line 60 to column 6, lines 9, teaches a list of different information and uses for the tag and its storage element 28. Included in the list of information and uses is a stocking number reorder number and security and anti-counterfeit software. One of the benefits of this tag is to take advantage of a new capacity to provide better customer service and more efficient stock management.*" (pages 3-4)

3. <u>The Gelbman Reference Does Not Teach or Suggest the Claimed Security Process</u>

The cited passage of the Gelbman reference that lists the various information usages reads as follows:

> *"The storage element 28 can also store a unique label or tag identification number product code, color, name, size, description, and cost, sale price, percent reduction/markdown, unit of sale, lot number , expiration date, manufacturing date, manufacturer, identifier of manufacturing plant, country of origin, countries through which item has passed, tax rate, taxes paid, last price change,* ***stocking number reorder number****, retail store name and location, destination, intended use, cooking instruction, useful life based on storage temperature, recipes, last time cleaned or used, when item was initially opened, encrypting software,* <u>*and*</u> ***security and anti-counterfeit software****, as well as other related data consistent with the intended use of the label.* (column 5, line 60 to column 6, line 9; emphasis added)

From this context, the reference to "*security and anti-counterfeit software*" appears to be directed to a discrete type of software, as this reference is listed after the "and" term (underlined). This is consistent with the immediately preceding term of "*encrypting software.*" This is different than had the sentence simply indicated "security software." At the least, there does not appear to be any suggestion that this reference is directed to a usage in the context of anti-theft or unauthorized removal. Rather, this appears to be in the context of enabling the ability to flag a product with a specially encoded tag so that others could not be able to pass off their fake goods as originals. This

is not at all the same as issuing an alert when a tagged product leaves a designated boundary in an unauthorized manner.

Applicants submit that such limited reference to the term "security" in the Gelbman passage is exactly which the Federal Circuit has warned against, i.e., "*a single line in a prior art reference should not be taken out of context and relied upon with the benefit of hindsight to show obviousness.*" Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc., 796 F.2d 443, 230 U.S.P.Q. 416 (Fed. Cir. 1986). Contrary to the Office Action, Applicants submit that the Gelbman reference does not suggest a "security" process (in the context of being removed from an area and issuing an alert in response to crossing a boundary as recited in the claims – i.e., an anti-theft context). For this reason alone the Office Action fails to establish a prima facie case of obviousness.

4. The Cited References Do Not Teach or Suggest the Claimed Combination of Security and Re-Order

Even assuming, arguendo, the combined references do suggest use of transponder tags for both security and re-order processes, the particular reasons that a skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed have not been identified in the Office Action.

The Office Action, in attempting to establish a prima facie case of obviousness, does not address the problems addressed by the inventors (Applicants) in the present case as required. Namely, the problem of defining a single system for automated security and reorder system is not addressed by the Office Action. Applicants respectfully submit that the Office Action's proposed combination by one of ordinary skill in the art of the

Hughes et al. system with the single line reference to a reordering process in the Gelbman reference is not supported by reasons as to why the skilled artisan (confronted with the same problems as the inventor and with no knowledge of the claimed invention) would select such elements for combination in the manner claimed. Applicants suggest the Office Action simply has gravitated towards selection of the "solution", i.e., utilization of transponders for both security purposes as well as reordering processes within the confines of a monitored boundary, in hindsight of Applicants' invention. Stated differently, Applicants respectfully submit that, as required, the Office Action fails to set forth the reasons that the skilled artisan, confronted with the problems of obtaining the efficiency of a single system of automated security and reorder processes and with no knowledge of the presently claimed invention, would select the elements from the three cited prior art references for combination in the manner suggested in the Office Action.

At the most, the references would teach that transponder tags may be used for a security process **or** for a reorder process. But, there is no teaching or suggestion that a single system may be implemented to perform both functions.

5. The Cited References Do Not Teach or Suggest the Particular Manner in which the System Implements a Combined Security and Re-Order Process

Even further assuming, arguendo, that the cited references do indeed teach or suggest a single system that performs both security and reorder processes, there is no teaching or suggestion of a system that performs those processes in the particular manner as claimed.

The independent claims require that an alert signal be generated in response to detection of a given transponder having crossed a boundary and having item

identification data indicating a secured status of the associated item. Further, the independent claims require that an item reorder signal be generated in response to detection of a given transponder having crossed the boundary and having item identification data indicating a consumable status of the associated item.

A reorder process could be implemented in other ways. For example, the transponder tagged item may be required to be brought to a specific location like a checkout stand or bin. Upon being "checked out," as part of the transaction the particular item may be then reordered. This is different than the claimed automated system that generates a reorder signal in response to the transponder tagged item having crossed a boundary.

Thus, even if an argument could be made that there are teachings in the prior art of a system that could be used for both security and reorder processes, the Office Action fails to show the prior art as teaching or suggesting a combined system implementing the security and reorder processes in the particular claimed manner.

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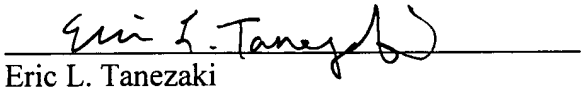
In light of the comments set forth above, Applicants contend that the Office Action fails to establish a case of obviousness as required, and respectfully submit that Claims 1-28 are in a condition for allowance and action is requested. Should any additional fees be due please charge Deposit Account No. 19-4330.

Respectfully submitted,

STETINA BRUNDA GARRED & BRUCKER

By: 

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